

MINUTES OF THE METRO COUNCIL MEETING

Rood Bridge Park – River House

Hillsboro, Oregon

Wednesday, July 20, 2005

Councilors Present: David Bragdon (Council President), Rex Burkholder (Deputy Council President), Susan McLain, Robert Liberty, Carl Hosticka, Rod Park, Brian Newman

Councilors Absent:

Council President Bragdon convened the Metro Council Retreat at 1:07 p.m. The purpose was to touch base on strategic planning and the budget process.

1. WELCOME AND OVERVIEW

Bill Stringer, Chief Financial Officer noted the June 23, 2004 notes on the Council retreat. He talked about changes instituted this year and wished to discuss changes for next year. He was looking for guidance in putting together a budget process. He reviewed the issues Council wanted to address from last year's retreat (a copy of this record is included in the meeting record). He talked about the components of changes instituted from last year. They would discuss the format and calendar for budgeting this year. Councilor McLain asked about a brainstorming period concerning what went right and wrong. Mr. Stringer indicated this would occur during the retreat. Councilor Burkholder suggested talking about how we involve the outside world in the process. Mr. Stringer said there was some discussion about inviting directors to this meeting. They felt that it was better to have Council President Bragdon present information to Senior Management next week. Directors needed to be involved. Councilor Burkholder clarified, he wanted to know how we involved the public. He suggested an expanded strategic planning process including involvement with the public. Mr. Stringer raised the issue of timing. Councilor McLain noted that public involvement had been missing more in the last two years. She noted with the committee structure, they had input from the public during committee processes. Mr. Stringer acknowledged the issues of budgeting and the limits of time. They were proposing getting the programmatic budgeting to Council early on. They had also looked at online discussions of the budget, leading the public through the budgeting process and receiving feedback online.

Michael Wetter, Assistant to the President, said they were working to integrate the strategic planning process with the budgeting process. They wanted to review the strategic plan and how these translated to projects at Metro. He provided a status report on those initiatives and what came out of the strategic planning process. Mr. Stringer reviewed the critical success factors (a copy of the power point presentation is included in the meeting record). Council agreed on the program objectives last year. The council objectives needed to be driven into the departments. They needed to make sure that the departments were justifying their programs in support of the Council objectives.

Councilor Hosticka asked where in the schedule did they get back to the overall structure of the budgeting process. Mr. Stringer said they would address the format at this retreat. Councilor Hosticka questioned, at what point was overall input allowed to be received in the budgeting process? Councilor Park said they weren't going back over the goals and objectives. In all fairness he asked if Councilor Liberty would like to go over those goals and objectives. If the Council was in agreement about the goals and objectives, that was fine but where did we come

back in the process and reaffirm the goals and objectives. Paul Couey, Finance and Administrative Services, suggested a time at the end of the discussion to talk about the issues Council raised.

2. IMPLEMENTATION OF COUNCIL GOALS IN FY 2005-06

2.1 Management Initiatives

Council President Bragdon suggested starting with what Council wanted. Public involvement and touch points on the budget were two issues raised. Councilor Newman suggested council review of the budget. Councilor Liberty said budgeting was an expression of efforts or programs. He asked how did we make this part of the planning for the organization. Mr. Stringer concurred with Councilor Liberty's comments. The budget document was a sideline to the whole process. It was a 365-day strategic planning process. He was trying to put together a process that would allow the Council to plan the programs. Council President Bragdon suggested connecting the future plan to the budget, policy choices and program. Mr. Stringer said that he was trying to move towards this effort. Councilor Liberty said he thought about it as developing a plan for Council's work. Mr. Stringer said he was trying to capture that long-term thinking. Councilor McLain said they wanted that bigger picture discussion but that didn't mean we don't have budget decisions. She wanted to make sure they had that discussion but that they didn't lose sight that a budget still needed to be developed. Council President Bragdon suggested using examples. Councilor Burkholder said the Council goals were clear but the objectives seemed to be a miss-mash. Should we be doing all of the objectives? The objectives varied. Mr. Stringer suggested discussing outcomes as a way to respond to the Council's goals for the level of resources being expended.

Mr. Stringer talked about what we had done on the management side to achieve the Council's goals (a copy of those management initiatives summary are included in the meeting record). He said they had consolidated the general fund. He spoke to business re-design. The business design team would have a report available within the next several weeks. He spoke to the goals for the design team. He noted issues that had arisen such as reducing the size of Metro but not reducing the allocation. He talked about the difficulties in reducing allocated costs. He indicated that he was looking for Metro savings not departmental savings. He talked about the history and culture of budgeting at Metro. He felt the key was getting the general fund as large as you could.

Council Park asked about the different funds such as solid waste and the constraints of the budget. In order to try to fix things there was a tendency to revert back to the old system. They needed to grapple with flexibility of FTEs. Council President Bragdon talked about the pay off of \$78 million in the general fund. Mr. Stringer said the departments were in favor of reduction in allocated costs, just not a reduction in general funds for their department.

Councilor McLain talked about reduction in costs as well as a reduction of service. She questioned how far could they go without reducing services. Councilor Newman said the Council should decide what functions it wanted. Councilor Liberty asked what they were trying to get done by what time. Ruth Scott, Human Resources Director, talked about what had been done to date on cross-departmental program identification, program performance measurement, performance evaluation and merit pay, project management team and management information systems.

2.2 Council Projects

Mike Wetter, addressed the Council's identified projects. He said the project management initiative was the next step. Some of the Council projects were regional problem solving exercises that involved bringing organization together. They needed to take the next steps and talk about how you go about doing this. There were a variety of ways to achieve the goals. Council President Bragdon said they had had this project management group that Council hadn't been involved in. There was a need to have Council involved. They realized that these projects needed more Council involvement in the process. Three Councilors would be working with three directors to oversee the council projects and be more involved in the project management team. Councilor McLain said this was just one piece. The other piece was budgeting and prioritizing. Council President Bragdon suggested getting systems in place. The solution was that there needed to be some feedback loop so that there was some connection between staff and the seven councilors. Mr. Wetter said the project management team and the budgeting process was quite different. Council President Bragdon said they hadn't been allowed many choices for the limited resources.

Councilors talked about information leaking out before Council has opportunity to way in. Councilor Burkholder said they had things that were on going such as the 2040 process. It was seen as routine activity and hadn't been raised to a council project level. The question was when did you use the council project process? Mr. Wetter said if it was a policy issue and too big for the council to deal with it would be considered a council project. The experience was working better than they thought. He explained the discipline built into. Council President Bragdon said in the absence of an overarching public affairs strategy these things were going to continue to happen. They needed a system in place so they weren't hearing about it from the media after the fact. Councilor McLain said there were supposed to be a communication plan, which had been set-aside for the time due to a lack of resources. Mr. Wetter talked about the 2040 revisit and the attempt to nail it down to put it in front of Council. Council President Bragdon talked about identifying the 4 FTE that worked on the 2040 process.

Councilor Liberty said if they were developing a plan for the work, you developed a work plan with a different set of people. It was a mistake to use the budget for developing a plan for the work. They ought to be working with departments to talk about the big plan and what was routine work. He felt that we were still using the budgeting process as the framework. His instinct was that budgeting was the wrong strategy for discussing the big picture. Mr. Stringer said they were engaging in a cycle of planning rather than budgeting.

3. OVERVIEW OF PROCESS FOR FY 2006-07

3.1 Programmatic Budget Format

Mr. Couey talked about the framework for the next budget cycle. Councilor Park suggested talking about the timeframe and working backward. Jeff Tucker, Regional Parks and Greenspaces Department, presented the programmatic budget process for 2006-07. He described the four-step framework process (a copy of which is included in the meeting record). He explained the program description, regulatory and statutory program, expected outcome, changes from the previous year, performance measures or indicators of success. This would also include a five-year budget plan for the program. Councilor Hosticka spoke to the five-year plan and that certainty decreased over time. There were certain issues you knew about over the five year but there was also uncertainty. Mr. Stringer said the major contribution for the five year plan was understanding why you missed the mark, where were the mis-estimations? Councilor Liberty spoke to trade-offs in a five-year plan. Mr. Tucker said we still have a line item document that backs up the program. The decisions were based more on a programmatic basis. Councilor Park talked about the cost of government.

He wanted to know how much money was set and how much did they get to play with. Mr. Tucker said a lot that was done was required, but the level of effort may need to be adjusted. He spoke to Step 3. They were developing programmatic opportunities for council to decide upon and decided upon trade offs. He said revenues that were generated at the Zoo or in Parks didn't have to be applied to those programs. They could be moved around. He said there would probably be more programs that could be funded. Councilor McLain said this gave the Council President more opportunity to hear from Council. Council President Bragdon concurred with Councilor McLain's comments. His interest was to bring out a budget that was as close to the Council as possible. He asked if there were other agency-wide measures that were easily derived from this? Mr. Stringer said they were trying to develop a scorecard where they provided information back to the Council such as total payroll, the economic conditions that affect our region and Metro. Mr. Tucker talked about getting to the cost of each task. Councilor Park suggested that might not be the thing we wanted to measure. If we just focused on the cost and not the benefit side, there was no perceived value. It would be difficult to measure.

3.2 Project Selection Procedure

3.3 Timeline and Expectations

Kathy Rutkowski, Budget Coordinator, talked about the timeline for the 2006-07-budget process. They were trying to get feedback from the Councilors earlier in the process. They wanted to place more of the focus on the early part of the process. Councilor Burkholder talked about the objectives and if they were comprehensive in terms of developing performance measures. He also wanted to raise the issue of public surveying about general satisfaction with services we provided. It was important to assess our services. A poll might be a helpful thing to judge Metro's services. Mr. Stringer suggested talking with Kate Marx, Public Affairs Director, about this type of survey. Councilor Hosticka asked about Step 5 and knowing that there were lesser resources than they had programs for. He talked about the decision making process for which programs they wanted to pick. He suggested talking about the project selection procedure. Councilor McLain asked between November and June where would they have the conversation about the narrowing the projects? She suggested that that conversation occur before the Council President came out with his budget. Councilor Liberty provided feedback on the timeline. Councilor Burkholder said January and February could be used as the period to take the budget to the public. It was an opportunity to way in about Council's choices. Council President Bragdon commented that at some point someone had to put something on the table. He thought frontloading it with important but at some point someone had to put something in writing. Councilor Newman talked about the public review process in April, which he felt was too short. Having upfront time for the council helped but it didn't address the public and council input on the budget once it was rolled out. Councilor Hosticka suggested creating the full universe of projects in Step 2. Councilors made some suggestions about how to change the timeline. Council President Bragdon suggested that the conversations needed to happen earlier in the fall.

Mr. Couey raised the issue about the public process. Council President Bragdon suggested that the public process was more meaningful in the fall rather than in the spring. He clarified where the public should be involved. Councilors talked about partnership input and involvement in the budgeting process. Councilor Hosticka said what had not been built in was the answer to putting money into deferred maintenance or restoration? Councilor Burkholder talked about identifying priorities of the public. He suggested the project management team look at this. Council President Bragdon asked about assumptions and would staff still bring those to the Council. Ms. Rutkowski said yes in October and November.

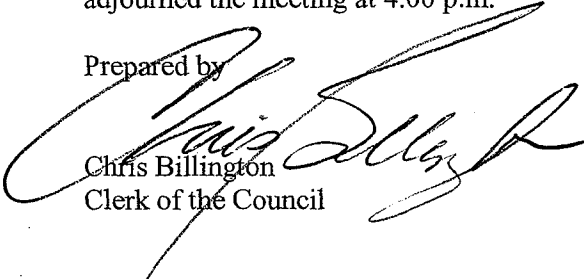
Councilor Burkholder addressed barriers for doing all of the projects. Mr. Couey raised the issue about the public process and asked for clarification that the Council was talking about two specific issues for 05-06: 1) public attendance of Council budget sessions in the fall and 2) greater consideration among managers of resource issues when discussing programs with stakeholders

Council President Bragdon said they would be assessing the Chief Operating Officer's (COO) performance review. They would be doing this on August 16th. He noted the new performance review tool and how that would be used for assessing the COO. These would be discussed in executive session and then invite COO back into the session. Councilor Newman said COO provided Council with goals, tasks and his response. He also talked about the discussion on 2040 review. Councilor Liberty found that the planning department kept time records from all the planning staff. He felt this information was interesting to see how the time was spent. He was hopeful that this could be used as a platform for one department and how it spends its time.

3.4 Council Response

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 4:00 p.m.

Prepared by


Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JULY 20, 2005

Item	Topic	Doc Date	Document Description	Doc. Number
1, 2, 3	Agenda Packet	7/20/05	Agenda packet distributed at meeting included: Metro Council Goals and Objectives, Recommendations from Council Retreat of June 23, 2004, Draft FY 2006-07 Strategic Planning and Budget Process, Metro FY 2006-7 Program Budget, Council Budget Discussion for new program, Management Initiative Summary, Council Project Summary	072005c-01